



SF 2283 – Savings Bonds, Escheatment if Abandoned (LSB 6133SV)
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Fiscal Note Version – New

Description

Senate File 2283 provides a procedure for the escheatment to the State of United States savings bonds presumed to be abandoned. The Treasurer of State must redeem the savings bonds escheated and the proceeds from the redemption must be deposited into the General Fund of the State. This Bill requires any person making a claim for United States savings bonds escheated to the State, or for the proceeds from such bonds, to file a claim for the bonds and proceeds and, if sufficient proof of the validity of the claim is determined to exist, the Treasurer of State may pay the claim in accordance with current law.

Background

There is currently no procedure for the Treasurer of State to use for redemption of United States savings bonds presumed to be abandoned.

Assumptions

- Bond amounts are as of February 2014.
- Approximately 15.0% of the value of the bonds will be paid to the owners of the bonds once they are located.
- Court and publication costs will be approximately 17.0% of the value of the redeemed bonds not returned to the owner.
- Only mature bonds will be redeemed.

Fiscal Impact

Senate File 2283 will result in the following estimated increase in funds deposited to the General Fund:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Matured Bonds	\$ 342,000	\$ 76,000	\$ 99,000	\$ 225,000	\$ 152,000
Returned to Owner	51,000	11,000	15,000	34,000	23,000
Redeemed	291,000	65,000	84,000	191,000	129,000
Court and Publication Costs	49,000	11,000	14,000	32,000	22,000
Deposit to General Fund	<u>\$ 242,000</u>	<u>\$ 54,000</u>	<u>\$ 70,000</u>	<u>\$ 159,000</u>	<u>\$ 107,000</u>

Source

Office of the Treasurer of State

/s/ Holly M. Lyons

February 27, 2014

The fiscal note for this Bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.